

**Exhibit 1**  
**(Redacted)**  
**(Previously Filed Under Seal as Dkt. 487)**

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

FAIR ISAAC CORPORATION,

Plaintiff,

v. Court File No. 16-cv-1054 (WMW/DTS)

FEDERAL INSURANCE COMPANY,  
an Indiana corporation, and ACE  
AMERICAN INSURANCE COMPANY,  
a Pennsylvania corporation,

Defendants.

VIDEO DEPOSITION

The following is the video deposition of  
RANDOLPH BICKLEY WHITENER, taken before Jean F.  
Soule, Notary Public, Registered Professional  
Reporter, pursuant to Notice of Taking Deposition,  
at the law office of Fredrikson & Byron, P.A.,  
200 South Sixth Street, Suite 4000, Basswood  
Conference Room, Minneapolis, Minnesota, commencing  
at 8:56 a.m., Thursday, June 27, 2019.

\* \* \*

C O N F I D E N T I A L

ATTORNEYS' EYES ONLY



1 APPEARANCES:

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On Behalf of the Plaintiff:

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Also Present: James Woodward, Esquire  
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The Videographer: Mr. Scott Breckheimer

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<p>1 <b>Advisor, and if the rule is you can't do this if</b>  2 <b>the person is age 21 and under and you want to</b>  3 <b>change that to 25 and under, you highlight the 1,</b>  4 <b>and you press the delete key, you type in 5, and</b>  5 <b>then you save it.</b>  6 THE WITNESS: Thank you, Allen.  7 MR. HINDERAKER: You're welcome.  8 BY MS. JANUS:  9 Q. Did the presentation yesterday or the  10 demo yesterday refer in any way to Federal?  11 <b>A. No.</b>  12 Q. Did Thiago discuss Federal's use of  13 Blaze?  14 <b>A. No.</b>  15 Q. Do you know whether Thiago had any  16 knowledge of Federal's use of Blaze?  17 <b>A. No.</b>  18 Q. Did you discuss the deposition today  19 with Thiago?  20 <b>A. No.</b>  21 THE WITNESS: Excuse me. My sinuses  22 are not particularly fond of Minnesota, the great  23 State of Minnesota.  24 MS. JANUS: We've been going about an  25 hour. If you want to take a quick break?</p> <p style="text-align: right;">Page 39</p>	<p>1 with anyone in preparing your reports?  2 MR. HINDERAKER: Again, exclusive of  3 lawyers.  4 THE WITNESS: Well, then, my response  5 is exclusive of attorneys, no.  6 BY MS. JANUS:  7 Q. Okay. And the demonstration you had  8 yesterday with Thiago was the first time that you  9 had talked with anyone at FICO other than Bill  10 Waid, correct?  11 <b>A. Yes, that is correct.</b>  12 Q. You refer to the conversation you had  13 with Bill Waid on November 12th, 2018, in your  14 report. Was that a conversation over the phone?  15 <b>A. Yes.</b>  16 Q. How long did it last?  17 <b>A. Oh, I'm sorry, I couldn't guess. If</b>  18 <b>you want me to pull a number out of the air, I'd</b>  19 <b>say 45 minutes. It was -- it was longer than</b>  20 <b>15 minutes and it was less than two hours,</b>  21 <b>45 minutes.</b>  22 Q. And did you only have one conversation  23 with Mr. Waid?  24 <b>A. That is correct.</b>  25 Q. What did you discuss with Mr. Waid</p> <p style="text-align: right;">Page 41</p>
<p>1 THE WITNESS: I think I can go like  2 ten more minutes.  3 MS. JANUS: Okay.  4 THE WITNESS: But I am going to need a  5 break shortly.  6 MS. JANUS: All right. Well, why  7 don't we just break now and then --  8 THE WITNESS: That's fine.  9 MS. JANUS: -- we can reconvene.  10 THE WITNESS: Okay.  11 THE VIDEOGRAPHER: Going off the  12 record. The time is 10:00 a.m.  13 (Break from 10:00 to 10:08.)  14 THE VIDEOGRAPHER: We're back on the  15 record. The time is 10:08 a.m.  16 BY MS. JANUS:  17 Q. You have referred to artifacts several  18 times this morning. What do you mean by that?  19 <b>A. I mean the case documents that I have</b>  20 <b>been provided for reading, review and use.</b>  21 <b>Artifacts is a -- is a insurance industry</b>  22 <b>technological term. All business requirements, for</b>  23 <b>instance, are referred to as artifacts.</b>  24 Q. Other than the demo that you received  25 from Thiago, have you had any other conversations</p> <p style="text-align: right;">Page 40</p>	<p>1 during the conversation?  2 MR. HINDERAKER: I believe there were  3 lawyers involved --  4 THE WITNESS: That is correct.  5 MR. HINDERAKER: -- in that  6 conversation. So we'll maintain a work product and  7 a privilege objection. I don't have any quarrel  8 with you asking about whether any of that  9 conversation bears on the opinions that are  10 reported. But the conversation per se with the  11 lawyers involved and the work product, I -- I  12 instruct you not to disclose that.  13 BY MS. JANUS:  14 Q. Did your conversation with Bill Waid  15 inform any of the opinions that you have in this  16 matter?  17 <b>A. No.</b>  18 Q. Why did you list it under information  19 considered in your report on page 1?  20 <b>A. Because I felt that not to list it</b>  21 <b>would be erroneous on my part, because I, in fact,</b>  22 <b>talked with him.</b>  23 Q. Okay. And your testimony is that none  24 of the information that you obtained during your  25 conversation with Mr. Waid has any bearing at all</p> <p style="text-align: right;">Page 42</p>

<p>1 on your opinions in this matter?</p> <p>2 <b>A. Correct.</b></p> <p>3 Q. What topics did you discuss with</p> <p>4 Mr. Waid during the call in November 12th?</p> <p>5 MR. HINDERAKER: I object to that as</p> <p>6 work product and attorney-client privilege.</p> <p>7 BY MS. JANUS:</p> <p>8 Q. Are you --</p> <p>9 MR. HINDERAKER: And I instruct you</p> <p>10 not to answer.</p> <p>11 BY MS. JANUS:</p> <p>12 Q. Are you following that instruction?</p> <p>13 <b>A. I am.</b></p> <p>14 Q. What questions did you ask Mr. Waid</p> <p>15 during your conversation on November 12th, 2018?</p> <p>16 MR. HINDERAKER: I have the same</p> <p>17 objections, and I instruct you not to answer.</p> <p>18 THE WITNESS: I follow the advice of</p> <p>19 counsel for plaintiff.</p> <p>20 BY MS. JANUS:</p> <p>21 Q. What answers did Mr. Waid give to the</p> <p>22 questions that you asked him on November 12th, 2018?</p> <p>23 MR. HINDERAKER: I have the same</p> <p>24 objections, and I instruct the witness not to</p> <p>25 answer.</p> <p style="text-align: right;">Page 43</p>	<p>1 underwriting, financial management, planning,</p> <p>2 product development, project management, general</p> <p>3 (field operations) management, and business</p> <p>4 management of technology," correct?</p> <p>5 <b>A. That is correct.</b></p> <p>6 Q. And so would you say it's a fair</p> <p>7 characterization that most of your experience in</p> <p>8 the insurance industry does not directly relate to</p> <p>9 technology?</p> <p>10 <b>A. No.</b></p> <p>11 Q. Only one of the categories of</p> <p>12 experience that you list -- and having worked in</p> <p>13 many parts of the insurance industry -- includes</p> <p>14 any direct connection to technology, correct?</p> <p>15 <b>A. I agree with that statement.</b></p> <p>16 Q. Okay. And that's the last one that</p> <p>17 you list, the business management of technology,</p> <p>18 correct?</p> <p>19 <b>A. Correct.</b></p> <p>20 Q. You say you've had experience</p> <p>21 underwriting, correct?</p> <p>22 <b>A. Correct.</b></p> <p>23 Q. And as -- when you say experience</p> <p>24 underwriting, describe what type of experience,</p> <p>25 just in general terms, you're referring to?</p> <p style="text-align: right;">Page 45</p>
<p>1 THE WITNESS: I comply with plaintiff</p> <p>2 counsel's request.</p> <p>3 BY MS. JANUS:</p> <p>4 Q. Did -- Who was present on the phone</p> <p>5 call with Mr. Waid on November 12th, 2018?</p> <p>6 <b>A. There were four people involved in the</b></p> <p>7 <b>phone call, myself, Mr. Waid and two lawyers.</b></p> <p>8 THE WITNESS: The lawyers names?</p> <p>9 MR. HINDERAKER: If she wants to know,</p> <p>10 that's fine.</p> <p>11 THE WITNESS: Mr. Woodward and</p> <p>12 Missus -- if I wouldn't --</p> <p>13 MR. HINDERAKER: Kliebenstein.</p> <p>14 THE WITNESS: Yeah, Mrs. Kliebenstein.</p> <p>15 I always -- I don't get -- I don't have a problem</p> <p>16 with the Stein, it's the Klee (phonetic), because</p> <p>17 I'm prone to turn her into a Kly (phonetic). I'm</p> <p>18 sorry, continue, please.</p> <p>19 BY MS. JANUS:</p> <p>20 Q. All right. Let's talk about your</p> <p>21 education and experience, which begins on page 2 of</p> <p>22 your report.</p> <p>23 <b>A. I'm there.</b></p> <p>24 Q. Okay. You write that you "have worked</p> <p>25 in many parts of the insurance industry, including</p> <p style="text-align: right;">Page 44</p>	<p>1 <b>A. As an underwriter -- I was an</b></p> <p>2 <b>underwriter twice, in Hartford, Connecticut, and</b></p> <p>3 <b>in -- the second time in Washington, D.C. My</b></p> <p>4 <b>general responsibilities will be similar to --</b></p> <p>5 <b>which you will hear almost any underwriter describe,</b></p> <p>6 <b>I was responsible for interfacing with and selling</b></p> <p>7 <b>The Hartford to independent agents in a -- a</b></p> <p>8 <b>specific defined territory. I was responsible for</b></p> <p>9 <b>underwriting for that group of agents, every new</b></p> <p>10 <b>business application that came in that they</b></p> <p>11 <b>submitted. I was responsible for reviewing and</b></p> <p>12 <b>underwriting any changes to policies that were</b></p> <p>13 <b>submitted by those agents that required</b></p> <p>14 <b>underwriting attention. I was responsible for</b></p> <p>15 <b>reviewing renewals that were come -- policies that</b></p> <p>16 <b>were coming up for renewal to determine whether we</b></p> <p>17 <b>wanted to make any modifications or we were just</b></p> <p>18 <b>going to allow the renewal to continue as is. I</b></p> <p>19 <b>was responsible for underwriting what The Hartford</b></p> <p>20 <b>called risk alerts. So if the claims department</b></p> <p>21 <b>flagged a specific claim as needing scrutiny and</b></p> <p>22 <b>that claim was for a policy submitted by one of the</b></p> <p>23 <b>agents for which I was responsible, I would review</b></p> <p>24 <b>that policy almost immediately after the claims</b></p> <p>25 <b>occurrence had taken place. That's a 50,000 foot</b></p> <p style="text-align: right;">Page 46</p>

<p>1 <b>overview.</b></p> <p>2 Q. Okay. I take it in your work as an</p> <p>3 underwriter, your expertise, your personal</p> <p>4 expertise was important to the performance of your</p> <p>5 underwriting duties?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. Your personal judgment was crucial in</p> <p>8 the performance of your underwriting duties, correct?</p> <p>9 <b>A. Yes.</b></p> <p>10 Q. Would you say your expertise and</p> <p>11 judgment in underwriting were the most important</p> <p>12 aspects of your success as an underwriter?</p> <p>13 <b>A. No.</b></p> <p>14 Q. What was?</p> <p>15 <b>A. I -- I do not undervalue the</b></p> <p>16 <b>importance of that expertise. However, that is one</b></p> <p>17 <b>part of a Rubik's Cube.</b></p> <p>18 <b>So my ability to have a high level</b></p> <p>19 <b>of -- are you familiar with the phrase EQ, emotional</b></p> <p>20 <b>quotient, and be able to interface with a very,</b></p> <p>21 <b>very diverse agency plant and then a very, very</b></p> <p>22 <b>diverse group of people inside of the agency plant</b></p> <p>23 <b>in combination with various other departments, such</b></p> <p>24 <b>as claims, loss control, marketing, and my peers in</b></p> <p>25 <b>other underwriting departments, such as bond and</b></p> <p style="text-align: right;">Page 47</p>	<p>1 admin system?</p> <p>2 <b>A. Multiple admin policy systems.</b></p> <p>3 Q. But you did not use the policy admin</p> <p>4 system as an underwriter?</p> <p>5 <b>A. This was 1977, that is correct.</b></p> <p>6 Q. Did you as an underwriter define rules</p> <p>7 that were used by The Hartford to underwrite</p> <p>8 insurance?</p> <p>9 <b>A. At what point in time?</b></p> <p>10 Q. Any point in time?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. Okay. When did you do that?</p> <p>13 <b>A. That would have been when -- pardon</b></p> <p>14 <b>me. That would have been when I was now back --</b></p> <p>15 <b>back up in home office, excuse me, and had come</b></p> <p>16 <b>back to the underwriting department from the</b></p> <p>17 <b>planning department.</b></p> <p>18 Q. Do you have a rough time period on</p> <p>19 that?</p> <p>20 <b>A. Um, I believe I came back from the</b></p> <p>21 <b>planning department in late nineteen eighty -- yes,</b></p> <p>22 <b>'84, yeah, give or take a century.</b></p> <p>23 Q. And we'll go through the experience</p> <p>24 that you've listed. But just in general terms,</p> <p>25 what was your role in creating rules that were used</p> <p style="text-align: right;">Page 49</p>
<p>1 <b>commercial lines, was very important. That's one</b></p> <p>2 <b>of the reasons I like the underwriting, because you</b></p> <p>3 <b>actually have your hands in so much of the business.</b></p> <p>4 Q. So you're -- you said emotional</p> <p>5 quotient?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. And do you sometimes refer to that as</p> <p>8 emotional intelligence?</p> <p>9 <b>A. Some people do.</b></p> <p>10 Q. Okay.</p> <p>11 <b>A. When I grew up, it was EQ. Now it's</b></p> <p>12 <b>EI.</b></p> <p>13 Q. Okay. And that --</p> <p>14 <b>A. But it's the same thing.</b></p> <p>15 Q. Same thing, okay. And so your EQ or</p> <p>16 EI was crucial to your success as an underwriter?</p> <p>17 <b>A. Agreed.</b></p> <p>18 Q. Okay. Did you use technology as an</p> <p>19 underwriter with The Hartford?</p> <p>20 <b>A. Define technology, please. A</b></p> <p>21 <b>Monroe -- a Monroe JD-30 calculator is technology.</b></p> <p>22 <b>I had a Monroe JD-30 calculator on my desk. Okay.</b></p> <p>23 <b>Did I interface and type into the policy admin</b></p> <p>24 <b>system? No.</b></p> <p>25 Q. Okay. So The Hartford had a policy</p> <p style="text-align: right;">Page 48</p>	<p>1 in the underwriting process?</p> <p>2 <b>A. We would have an annual review. So,</b></p> <p>3 <b>at this point, I was in what was called the line of</b></p> <p>4 <b>business. Today you would know it as the product</b></p> <p>5 <b>department, and we would -- we would have an annual</b></p> <p>6 <b>review using multiple data sources, actuarial data,</b></p> <p>7 <b>profit and loss statements for our various products</b></p> <p>8 <b>by jurisdiction, and that jurisdiction was down</b></p> <p>9 <b>into the individual rating territory, and we would</b></p> <p>10 <b>look and we would see if we wanted to modify our</b></p> <p>11 <b>rules, add rules, subtract rules, change from 21 to</b></p> <p>12 <b>25, change from sand and gravel to U-Haul vans,</b></p> <p>13 <b>kind of a thing.</b></p> <p>14 Q. So you looked at the data that you had</p> <p>15 based on past performance, correct?</p> <p>16 <b>A. I'm not -- I'm not sure I understand</b></p> <p>17 <b>the question.</b></p> <p>18 Q. Well, you described --</p> <p>19 <b>A. As it relate -- as it relates to my</b></p> <p>20 <b>time at The Hartford?</b></p> <p>21 Q. Yes.</p> <p>22 <b>A. Okay. Now restate the question,</b></p> <p>23 <b>please.</b></p> <p>24 Q. Okay. So you -- you -- you were</p> <p>25 describing the process of creating rules when you</p> <p style="text-align: right;">Page 50</p>



<p>1 were at the Hartford?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. And it sounds to me like you would</p> <p>4 look at the data from past performance for a given</p> <p>5 product; is that correct?</p> <p>6 <b>A. As long as you put an "S" on the end</b></p> <p>7 <b>of it, that's correct, products.</b></p> <p>8 Q. Products.</p> <p>9 <b>A. Yeah.</b></p> <p>10 Q. Okay. And -- and then you, based on</p> <p>11 your expertise and experience as an underwriter,</p> <p>12 would decide whether to change the rules that were</p> <p>13 in place, keep them the same, add rules, et cetera?</p> <p>14 <b>A. Yeah.</b></p> <p>15 Q. Okay.</p> <p>16 <b>A. Yes.</b></p> <p>17 Q. And where did those rules reside when</p> <p>18 you were at The Hartford?</p> <p>19 <b>A. In keeping with Mr. McCarter's reply</b></p> <p>20 <b>or rebuttal of my report, they were hard coded in</b></p> <p>21 <b>Cobalt.</b></p> <p>22 Q. For someone who is not in the</p> <p>23 industry, what does hard coded in Cobalt mean?</p> <p>24 <b>A. Programmed in a language that</b></p> <p>25 <b>insurance companies would prefer not to use today</b></p> <p style="text-align: right;">Page 51</p>	<p>1 requirement," what do you mean?</p> <p>2 <b>A. It is the responsibility of the</b></p> <p>3 <b>business unit to articulate what they want the</b></p> <p>4 <b>technology to do. That articulation is called a</b></p> <p>5 <b>business requirement.</b></p> <p>6 Q. So your role was really on the</p> <p>7 substantive development of the rules?</p> <p>8 <b>A. I don't understand the question,</b></p> <p>9 <b>substantive development of the rules.</b></p> <p>10 Q. The defining of the rules?</p> <p>11 <b>A. It was not limited to that, but I did</b></p> <p>12 <b>do that, yes.</b></p> <p>13 Q. Okay. I take it you would agree that</p> <p>14 there's a substantial amount of value to the</p> <p>15 insurance company in defining the rules?</p> <p>16 <b>A. I disagree with that statement in</b></p> <p>17 <b>isolation. There is a high value to an insurance</b></p> <p>18 <b>company in defining the rules and having the -- I'm</b></p> <p>19 <b>going to call it processes in place that make sure</b></p> <p>20 <b>the rules are executed. There's a difference</b></p> <p>21 <b>between defining the rules and executing the rules.</b></p> <p>22 Q. Okay. The defining of the rules comes</p> <p>23 from the expertise of the underwriters and the</p> <p>24 other business people at the insurance company,</p> <p>25 correct?</p> <p style="text-align: right;">Page 53</p>
<p>1 in modern technology times. So Cobalt is a</p> <p>2 proga -- programming language, and I -- I could not</p> <p>3 go up to a computer with a technologist at any</p> <p>4 insurance company and have them bring up on their</p> <p>5 screen Cobalt programming language and decipher</p> <p>6 what's going on. I don't -- I don't write or speak</p> <p>7 Cobalt.</p> <p>8 Q. So you don't know exactly how Cobalt</p> <p>9 works?</p> <p>10 <b>A. That is correct. I know -- I know</b></p> <p>11 <b>what my responsibility was, was to define the new</b></p> <p>12 <b>rules that we wanted to implement, the existing</b></p> <p>13 <b>rules that we wanted to modify or any rules that we</b></p> <p>14 <b>wanted to take out of the production system and</b></p> <p>15 <b>write the business requirement for it, make sure</b></p> <p>16 <b>that the business requirement was testable -- that,</b></p> <p>17 <b>by the way, requires a conversation with the IT</b></p> <p>18 <b>folks -- and then rely on my IT compatriots to</b></p> <p>19 <b>implement the rule, test it and make sure it was</b></p> <p>20 <b>doing as prescribed.</b></p> <p>21 <b>I would have -- if the -- if the IT</b></p> <p>22 <b>people had any questions about the test results,</b></p> <p>23 <b>they would come see me, but I was not heavily</b></p> <p>24 <b>involved in the testing.</b></p> <p>25 Q. When you say "the business</p> <p style="text-align: right;">Page 52</p>	<p>1 <b>A. Correct. Inside of the insurance</b></p> <p>2 <b>company's organizational construct where defining</b></p> <p>3 <b>the rules is their responsibility.</b></p> <p>4 Q. And if --</p> <p>5 <b>A. That could be -- it could be product,</b></p> <p>6 <b>it could be underwriting, it depends.</b></p> <p>7 Q. You would agree with me that if the</p> <p>8 rules are not defined properly, the insurance</p> <p>9 company will not make money, correct?</p> <p>10 <b>A. I will agree with you that if the</b></p> <p>11 <b>rules do not reflect accurately the company's risk</b></p> <p>12 <b>appetite and their definition of acquiring adequate</b></p> <p>13 <b>accurate premium, the result of that will be losing</b></p> <p>14 <b>money on those policies.</b></p> <p>15 Q. So, without good rules, an insurance</p> <p>16 company cannot make money, correct?</p> <p>17 <b>A. That is part of the scenario, correct.</b></p> <p>18 Q. Well, you'd agree with me, I take it,</p> <p>19 as an experienced underwriter that it's the most</p> <p>20 important part of the scenario, correct?</p> <p>21 <b>A. Again, I don't agree with that,</b></p> <p>22 <b>because I believe you are not accounting for the</b></p> <p>23 <b>fact that after the rules are authored they have to</b></p> <p>24 <b>be executed, and one of our -- one of every</b></p> <p>25 <b>insurance company's processes is the consistent</b></p> <p style="text-align: right;">Page 54</p>

<p>1 weekly, monthly, quarterly, annually review of the  2 quality of the decisions their underwriters are  3 making. Not all underwriters are created equal.  4 In a best case scenario, I would agree  5 with your statement. If every underwriter were an  6 A-plus player, I would agree that.  7 Q. Okay. If --  8 A. Every underwriter is not an A-plus  9 player.  10 Q. So people, differences in people can  11 make a difference in whether the right rules are  12 implemented in the right way, fair?  13 A. Fair.  14 Q. But without the right rules, without  15 good rules developed by the insurance company, the  16 insurance company is not going to make any money,  17 correct?  18 A. I would say that without the right  19 rules, using your nomenclature, the expected  20 performance will be less than if you started the  21 process with the right rules.  22 Q. I mean, we could easily play this out  23 to say if an insurance company had a rule that  24 consistently caused it to issue policies to  25 businesses that had claims that far exceeded the</p> <p style="text-align: right;">Page 55</p>	<p>1 Whereas, the folks that they have underwriting  2 their main street commercial -- my phraseology, not  3 theirs -- could potentially have a slightly less  4 level of expertise. But I generally describe the  5 insurance industry as a complex business.  6 Q. There's lots of judgment involved in  7 the insurance industry?  8 A. There is judgment involved in every  9 industry. There is judgment involved in the  10 insurance industry and the underwriting process  11 because it's pegged to acquire adequate accurate  12 information and adequate premium for the loss cost.  13 You remember the phrase loss cost? Okay. Loss  14 cost, there can be some judgment involved in that.  15 I worked for the president of an  16 insurance once -- company once who looked at me and  17 said -- actually looked at one of my friends and  18 said, I can have the most actuarially accurate  19 policy -- or, I'm sorry, price point in the world  20 and not sell a single policy. Okay.  21 So there -- depending upon the market  22 segment, the product, the industry classification,  23 there can be relatively more or relatively less --  24 I'm sorry, your term -- judgment in the process,  25 and that judgment is reflected in both the field</p> <p style="text-align: right;">Page 57</p>
<p>1 premiums those businesses paid, that would not be a  2 good rule, correct?  3 A. It would not be a good thing, and  4 they, clearly, would not be good rules, singular or  5 plural.  6 Q. The definition of those rules would  7 cause the insurance company to lose money in that  8 scenario that I described?  9 A. Allow me to reiterate. The  10 performance would be less, depending upon the  11 variability of acquiring the correct adequate  12 accurate premium for the lost cause, it could be a  13 small loss, it could be a large loss. It could be  14 less profit depending upon in that range.  15 Insurance is a numbers game.  16 Q. Would you agree that underwriting  17 insurance policies is a complex process?  18 A. Is this a general question about  19 insurance? Then I would say it is a complex  20 business. I would say underwriting can be more  21 complex based on the -- you've read my report, I  22 describe market segments, based on the market  23 segment. So, for instance, Federal's specialty  24 unit, I would suspect, but don't know, that their  25 underwriters have a higher level of expertise.</p> <p style="text-align: right;">Page 56</p>	<p>1 people interfacing with the agency plant and in  2 the -- and I'm going to use the word product  3 instead of underwriting, because that's -- tends to  4 be a more common phraseology nowadays, those  5 underwriting product people in the definition of  6 the rates, rules and forms for the product.  7 Remember, my experience definition of insurance  8 product is rates, rules and forms.  9 Q. All right. Looking back at the  10 report, you -- we talked about your experience  11 underwriting, you also talk about financial  12 management, correct?  13 A. That is correct.  14 Q. And --  15 A. A better phrase for that might be  16 financial reporting.  17 Q. Financial reporting, okay.  18 And that experience did not include a  19 expertise in technology, correct?  20 A. Correct.  21 Q. So --  22 A. Although I will -- I will quite  23 frankly say that every number that hit my desk came  24 from a -- from a technology system, but I accepted  25 the data as it was and believed that the technology</p> <p style="text-align: right;">Page 58</p>



<p>1 <b>A. Said in isolation, that's a correct</b>  2 <b>statement. But, remember, I will -- I will always</b>  3 <b>be taking you back to the Rubik's Cube, it's not</b>  4 <b>just one thing.</b>  5 Q. You said the quality the product is  6 another factor that determines whether a consumer  7 will purchase an insurance product, correct?  8 <b>A. Correct.</b>  9 Q. And we talked about the development of  10 insurance products previously, correct?  11 <b>A. Yes.</b>  12 Q. Those are developed using the expertise  13 of that insurance company, the individuals'  14 knowledge who work there and possibly in  15 consultation with insurance experts, correct?  16 <b>A. Correct.</b>  17 Q. And you also mentioned the value  18 received in connection with the quality of the  19 product, correct?  20 <b>A. Correct.</b>  21 Q. Essentially does the consumer believe  22 that they are paying a fair price for the product  23 they're purchasing?  24 <b>A. There are approximately 328 million</b>  25 <b>humans in the United States. The number of</b></p> <p style="text-align: right;">Page 71</p>	<p>1 unquote, expert advice. Okay. And, then, the  2 broker is looking at the company for the things I  3 have articulated earlier. The broker, in the  4 relationship with the consumer, will have an opinion  5 about who that broker wants to do business with.  6 Q. So personal relationships between the  7 consumer and the broker and the broker and the  8 insurance company affect decisions about whether to  9 purchase a particular product?  10 <b>A. And affect differently across the</b>  11 <b>three market segments I've articulated.</b>  12 Q. You've said, then, finally, remittance  13 processing?  14 <b>A. Billing.</b>  15 Q. Billing? Okay.  16 <b>A. Well --</b>  17 Q. And how --  18 <b>A. The -- the great thing about</b>  19 <b>remittance processing it's an all-encompassing</b>  20 <b>term. Billing insinuates that it's the demand from</b>  21 <b>the insurance company going out to the consumer or</b>  22 <b>the customer. But when that money comes back in,</b>  23 <b>it's got to be placed in the right bucket. Okay.</b>  24 <b>So I refer to it as remittance</b>  25 <b>processing. It's that all-encompassing ask for</b></p> <p style="text-align: right;">Page 73</p>
<p>1 <b>businesses is not nearly that large, but it's</b>  2 <b>significant. Each of those will establish in their</b>  3 <b>own mind their definition of value.</b>  4 <b>So it's impossible to specifically</b>  5 <b>answer your question. As a general observation,</b>  6 <b>the value is defined by each customer, be it</b>  7 <b>commercial or personal, and it's a combination of</b>  8 <b>things.</b>  9 Q. You mentioned the relationship with  10 the broker?  11 <b>A. Or independent agent.</b>  12 Q. And by that, do you mean the  13 consumer's relationship with the broker or the  14 independent agent?  15 <b>A. I mean both. So you have three</b>  16 <b>parties, correct? So at the left end of the</b>  17 <b>spectrum you have the consumer, be it business or</b>  18 <b>be it personal. At the right end of the spectrum</b>  19 <b>you have the insurance company, and in the middle</b>  20 <b>you have the independent agent or broker. The</b>  21 <b>consumer will primarily focus on the relationship</b>  22 <b>with the independent agent or broker.</b>  23 <b>You will see articles published about</b>  24 <b>expert advice. So the consumer is looking at that</b>  25 <b>broker or independent agent as a provider of, quote</b></p> <p style="text-align: right;">Page 72</p>	<p>1 <b>money, get money, put it in the right place.</b>  2 Q. Okay. And how does that in your mind,  3 how does that impact a consumer's decision to  4 purchase an insurance product?  5 <b>A. There are two impacts here. So the</b>  6 <b>first one is, remember, zero times X is zero. So</b>  7 <b>the -- the independent agent -- an independent</b>  8 <b>agent's relationship with any insurance company can</b>  9 <b>be soured if, in fact, the remittance processing</b>  10 <b>process is inefficient or inaccurate.</b>  11 <b>The one thing from -- so I'm going to</b>  12 <b>speak to billing, and I'm going to speak to claims.</b>  13 <b>Okay. One thing an independent agent never wants</b>  14 <b>is for one of their customers to be billed</b>  15 <b>incorrectly, and one thing the insurance company</b>  16 <b>doesn't want is to pay too little or too less on an</b>  17 <b>occurrence. So the insurance company -- I</b>  18 <b>articulate this in my report. The insurance</b>  19 <b>company wants every penny that it's entitled to,</b>  20 <b>not one penny that it is not.</b>  21 <b>The policyholder, when you get to</b>  22 <b>remittance processing, you are playing with their</b>  23 <b>budget and their financial bank statements, and</b>  24 <b>they don't like errors. It's as simple as that.</b>  25 Q. We've been talking about what goes</p> <p style="text-align: right;">Page 74</p>

<p>1 into a consumer's decision to purchase a given  2 insurance product. I take it you'd agree with me  3 that if an insurance company uses Blaze in some  4 aspect of the process to underwrite an insurance  5 product for a particular customer, that the use of  6 Blaze in and of itself would not influence that  7 customer's decision to purchase the product, would  8 you agree with that?</p> <p>9 <b>A. I agree that the direct consumer, be</b>  10 <b>it a business or a family entity, personal lines,</b>  11 <b>does not see or care about any of the technologies</b>  12 <b>that an insurance company takes to -- I'm going to</b>  13 <b>use the word fulfill, fulfill its insurance</b>  14 <b>process, be it policy issuance, be it claims, be it</b>  15 <b>billing. The consumer is oblivious to that. I</b>  16 <b>probably would --</b></p> <p>17 MR. HINDERAKER: Go ahead, finish your  18 answer.</p> <p>19 THE WITNESS: I probably would not  20 make the same statement for the broker.</p> <p>21 BY MS. JANUS:</p> <p>22 Q. So the consumer that you referred to  23 does not care whether Federal uses Blaze in any of  24 its processes in connection with selling or  25 administering a given insurance policy, fair?</p> <p style="text-align: right;">Page 75</p>	<p>1 MR. HINDERAKER: I'm going to object  2 to the argumentative nature of that. He was trying  3 to answer --</p> <p>4 MS. JANUS: No, no, no, no, don't  5 coach him, don't coach him.</p> <p>6 MR. HINDERAKER: I'm not.</p> <p>7 MS. JANUS: Al, I'll stop you there.</p> <p>8 MR. HINDERAKER: Fine.</p> <p>9 MS. JANUS: Let's not get into that.</p> <p>10 It was a fair question, it wasn't argumentative.</p> <p>11 MR. HINDERAKER: And you --</p> <p>12 MS. JANUS: I want an answer.</p> <p>13 MR. HINDERAKER: I was just trying to  14 say, he was trying to answer that question. So let  15 him finish his answer, please.</p> <p>16 MS. JANUS: Please don't raise your  17 voice with me.</p> <p>18 MR. HINDERAKER: Oh, I wasn't --</p> <p>19 MS. JANUS: And stop coaching the  20 witness. As soon as I get to a question you don't  21 like, you start coaching. Okay.</p> <p>22 MR. HINDERAKER: I --</p> <p>23 MS. JANUS: Let's stop it now. He's  24 your expert, he should be able to handle it.</p> <p>25 MR. HINDERAKER: I like your --</p> <p style="text-align: right;">Page 77</p>
<p>1 MR. HINDERAKER: The question  2 misstates the answer, and I object for that reason.</p> <p>3 THE WITNESS: May I answer?</p> <p>4 MS. JANUS: Yes.</p> <p>5 THE WITNESS: Or respond?</p> <p>6 MR. HINDERAKER: Yes, you may.</p> <p>7 THE WITNESS: Okay. Thank you. Just  8 asking for the rules.</p> <p>9 The consumer cares that the value  10 proposition, a combination of coverages, exclusions  11 and price, meet their needs and their expectation.  12 Okay. The insurance company cares that the -- oh,  13 and, I'm sorry, I need to put speed in there. All  14 right. So -- so if you look at speed of response  15 and you look at adequacy of price in combination  16 with the proposed package, the consumer cares about  17 that. The broker --</p> <p>18 BY MS. JANUS:</p> <p>19 Q. I'm sorry, let me just stick with my  20 question for a moment. I want to make sure I've  21 got an answer to my question.</p> <p>22 I asked you whether you would agree  23 that the consumer does not care that Federal may  24 use Blaze as a part of its complex processes to  25 issue or underwrite a particular insurance product?</p> <p style="text-align: right;">Page 76</p>	<p>1 MS. JANUS: All right. I'm going to --</p> <p>2 MR. HINDERAKER: I like -- I liked  3 your question.</p> <p>4 MS. JANUS: I'm going to --</p> <p>5 MR. HINDERAKER: And I'd like him to  6 have a chance to answer.</p> <p>7 BY MS. JANUS:</p> <p>8 Q. I'm going to ask my question again,  9 and I'd like an answer to it, and I think -- I  10 think your previous answers pretty obviously  11 suggest this. I just want to make it clear on the  12 record, as I'm entitled to do, I'm entitled to  13 create the record.</p> <p>14 You would agree with me, I take it,  15 based on your previous testimony, that a consumer  16 making a decision to purchase an insurance product  17 from Federal does not care whether or not Blaze was  18 used at any point in the process of selling or  19 underwriting that insurance product, correct?</p> <p>20 <b>A. Correct.</b></p> <p>21 Q. You would agree with me that, in fact,  22 a consumer making a decision to purchase an  23 insurance product from Federal does not know that  24 Blaze was used at any point in the process in  25 selling or underwriting that product, correct?</p> <p style="text-align: right;">Page 78</p>

<p>1 product owned by what today is known as LexisNexis.  2 It was first created by Equifax's insurance services  3 division, which later morphed into a freestanding  4 company called ChoicePoint, which was later  5 purchased by LexisNexis. CLUE is a database of  6 multiple lines of businesses today occurrences from  7 a claims standpoint.</p> <p>8 The Hartford was one of the first ten  9 companies to participate in CLUE. We were -- we  10 were a -- an original supplier, if you will. One  11 of the -- one of the things that we did was once a  12 month we cut a tape of all of our current claims  13 activities for the identified market segment  14 products and shipped it to Equifax. Equifax had  15 that coming in from a number of companies, and they  16 consolidated it all into a database, and if you  17 provided to the database you could, whenever you  18 wanted to, make a call into the database to find  19 out if Bick Whitener had a claim in the -- that was  20 in the database, comprehensive loss underwriting  21 exchange.</p> <p>22 Q. Then you went to Equifax, correct?  23 A. Yeah. They kind of liked the work I  24 did on behalf of The Hartford and -- and CLUE.  25 Q. And you worked to -- would you say as</p> <p style="text-align: right;">Page 87</p>	<p>1 brought me there because they wanted to mi -- they  2 wanted to migrate their policy admin, billing and  3 claims systems into a fresher technology, and they  4 wanted my expertise in that. That's why they  5 brought me there.</p> <p>6 Q. Then you went to a midsize personal  7 auto insurance company, correct?  8 A. That is incorrect.  9 Q. Oh, after a sabbatical?  10 A. Yes.  11 Q. Okay.  12 A. I was the chief vampire for the State  13 of Alabama for the American Red Cross. Anybody  14 that asked you to give blood or took blood from you  15 reported to me.</p> <p>16 Q. At the midsize personal auto insurance  17 company, you were the product manager, correct?  18 A. I held three different positions for  19 that company, all three of which were in the  20 product department.  21 Q. Did that company use a rules  22 management software?  23 A. No. Again, they were in alternative  24 number two, hard coded into Cobalt.  25 Q. Then you went to --</p> <p style="text-align: right;">Page 89</p>
<p>1 a sales representative for Equifax products?  2 A. I would absolutely not say that.  3 Thank you.  4 Q. Okay.  5 A. I was the assistant vice president of  6 their property information products for the --  7 that -- that they sold for the underwriting process.  8 So I had zero sales responsibilities except that --  9 I spoke insurance. So if we had a sales rep that  10 really felt like he needed to take someone -- or he  11 or she needed to take someone with them who spoke  12 insurance, I would get a phone call and would be  13 released to go accompany the person.</p> <p>14 Q. You then went to Prudential?  15 A. That is correct.  16 Q. Okay. And you were the director of  17 information services -- systems? I'm sorry.  18 A. Yes, systems.  19 Q. Okay. Did Prudential use a rules  20 management software?  21 A. No. Again, they didn't exist at that  22 period of time. So Prudential was operating in  23 that -- in a that hard-coding-of-the-rules  24 environment.  25 Allow me to point out that Prudential</p> <p style="text-align: right;">Page 88</p>	<p>1 THE WITNESS: Allen? I'm sorry.  2 MR. HINDERAKER: Sure, be happy to.  3 THE WITNESS: Thank you.  4 (Reporter's Note: Mr. Hinderaker gets  5 the witness another glass of water.)  6 BY MS. JANUS:  7 Q. -- a business process outsourcer in  8 Montana?  9 A. That is correct. Wait. Yes, that is  10 correct.  11 Q. And did that entity use a rules  12 management system?  13 A. It did not.  14 Q. In 2004, you became the director of  15 project management for a midsize P&amp;C insurance  16 carrier, correct?  17 A. That is correct.  18 Q. Which company was that?  19 A. It's a small -- well, it's a midsize  20 insurance company called American Reliable. Today  21 they are owned by Globe Indemnity. Globe Indemnity  22 purchased them approximately 18 months ago.  23 Q. Did that company have a rules  24 management software?  25 A. No. In fact, that company brought me</p> <p style="text-align: right;">Page 90</p>

<p>1 there because they wanted to transition software,  2 and one of the decision criteria that we put  3 together was the ability to get out of the hard  4 coding of rules to software that we ultimately  5 selected allowed us to do that.  6 Q. And what software was that?  7 A. Duck Creek.  8 Q. Duck Creek is a software that insurance  9 companies use for rules management, correct?  10 A. Duck Creek is a software that allows  11 rules to be built inside of policy admin or billing  12 or claims, and its interfaces are set up so that  13 the consumer -- I'm sorry, the business people, be  14 it product managers or corporate underwriting, can,  15 in fact, modify the rules.  16 You'll enjoy my story about the  17 selection process.  18 MR. HINDERAKER: Wait for a question.  19 BY MS. JANUS:  20 Q. Did you consider Blaze in the process  21 of selecting software while you were at that  22 company?  23 A. To the best of my knowledge, Blaze did  24 not exist. So, no. To the best of my knowledge at  25 that time.</p> <p style="text-align: right;">Page 91</p>	<p>1 Q. That was not a part of your job  2 responsibility?  3 A. That is correct.  4 Q. And, then, you were -- How long were  5 you with that company?  6 A. Memory test, huh? Um, three-and-a-half  7 years.  8 Q. Because the next entrance you -- or  9 the next item you have is in 2009. You went to  10 work for a small technology services company that  11 sold implementation services of vendor policy  12 administration systems to P&amp;C insurance companies?  13 A. Correct.  14 Q. Which company was that?  15 A. Its name was Discoverture Solutions.  16 It is now Mindtree.  17 Q. What does that mean, sold  18 implementation services of vendor policy  19 administration systems?  20 A. The vendor landscape in policy  21 administration systems in those days had  22 approximately 65 different vendors that offered a  23 policy administration system. This company  24 specialized in providing professional services in  25 much the way -- much the same way that FICO</p> <p style="text-align: right;">Page 93</p>
<p>1 Q. When did you select software for the  2 company?  3 A. Two thousand -- You told me I arrived  4 there in 2004?  5 Q. It looks like it from your --  6 A. Yeah.  7 Q. -- report.  8 A. If that's -- if that's -- if that's  9 what it says, 2004. It took us less than a year to  10 make the decision on the selection of software.  11 Q. Then you became the general manager of  12 a Midwest division of a midsize P&amp;C personal auto  13 insurance company?  14 A. That is correct.  15 Q. Which company was that?  16 A. The company in those days was known as  17 Unitrin Specialty, and actually Unitrin, Unitrin  18 Specialty was a strategic business unit within  19 Unitrin. Today you will know them as Kemper.  20 Q. Did that company use a business rules  21 management software?  22 A. Not to my -- not to my knowledge.  23 Q. You did not have occasion to work with  24 a rules management software while you were there?  25 A. That is correct.</p> <p style="text-align: right;">Page 92</p>	<p>1 provides professional services to Federal, and they  2 would go in and they would help with the actual  3 implementation of the licensed software.  4 Q. For policy administration systems?  5 A. Primarily. It could be other things.  6 It could be billing, it could be -- it could be  7 claims. We even -- we even dabbled in management  8 reporting, but we only did -- we didn't market  9 that. If somebody requested us to help with that,  10 we would.  11 Q. Does that -- did that position in 2009  12 have anything to do with rules management software?  13 A. It had -- I'm going to say no.  14 Q. And you were there until 2014; is that  15 correct?  16 A. That is correct. No, 2013.  17 Q. Okay. What did you do between 2013  18 and 2014?  19 A. Prepared to move to beautiful scenic  20 Huntsville in the great State of Alabama. We had  21 aging parent issues.  22 Q. Let's talk about Federal's use of  23 Blaze. We've talked about at various times this  24 morning policy administration systems. In general  25 terms, what is a policy administration system?</p> <p style="text-align: right;">Page 94</p>



<p>1 <b>A. A policy administration system is the</b>  2 <b>system that executes an insurance company's quote,</b>  3 <b>bind, book, issue process for multiple transactions.</b>  4 <b>In addition, it executes the termination process</b>  5 <b>for policies that an insurance company may have</b>  6 <b>already sold. It is the -- it is the core database</b>  7 <b>of characteristics. I'm 64 years old, that's an</b>  8 <b>insure -- that's an insurance characteristic. I</b>  9 <b>have gray hair, that's not an insurance</b>  10 <b>characteristic.</b>  11 <b>So it -- it was the -- it was the</b>  12 <b>prelim -- it is the preliminary database as it</b>  13 <b>relates to that quote, bind, book, issue terminate</b>  14 <b>and -- change-and-terminate process, it's the</b>  15 <b>engine. Oh, pardon me.</b>  16 Q. Federal, I take it, has policy  17 administration systems?  18 <b>A. Multiple.</b>  19 Q. Are any of those policy administration  20 systems at issue in this case?  21 <b>A. Yes. Well, the use of Blaze Advisor</b>  22 <b>as the rules management system or the automated</b>  23 <b>decision system as used by several of those policy</b>  24 <b>administration systems is part of this case or</b>  25 <b>is -- is relevant to this case.</b></p> <p style="text-align: right;">Page 95</p>	<p>1 <b>the case, yes.</b>  2 Q. Blaze is used in CSI Express, correct?  3 <b>A. The artifacts indicate that that is</b>  4 <b>the case, yes.</b>  5 Q. It is one small part of CSI Express,  6 correct?  7 <b>A. CSI Express uses multiple technologies.</b>  8 <b>It is a component of that. The relative size or</b>  9 <b>significance of it depends on your denominator. So</b>  10 <b>I can't respond to that.</b>  11 Q. Okay. So you don't know how  12 significant of a component Blaze is within CSI  13 Express?  14 <b>A. Significance of component cannot be</b>  15 <b>assessed until you tell me what the denominator is.</b>  16 <b>Are you measuring it as one against X numbers of</b>  17 <b>technologies, are you measuring it against the</b>  18 <b>relative functional value that each of the</b>  19 <b>individual components contributes to the quote,</b>  20 <b>bind, book, issue process? I don't know what your</b>  21 <b>denominator is.</b>  22 Q. Well, how would you -- did you -- did  23 you measure -- let me ask it this way. Did you  24 measure the relative significance of Blaze in CSI  25 Express as compared to the other technologies that</p> <p style="text-align: right;">Page 97</p>
<p>1 Q. Which systems are those?  2 <b>A. Memory test. All right. So may I go</b>  3 <b>to my report?</b>  4 Q. Sure.  5 <b>A. All right. CSI Express is used by the</b>  6 <b>Chubb Specialty Insurance small business unit -- or</b>  7 <b>strategic business unit. Excuse me.</b>  8 Q. Which paragraph of your report are you  9 looking at?  10 <b>A. I am looking at multiple paragraphs,</b>  11 <b>but let's start on page 7, section V, paragraph 28.</b>  12 Q. Okay.  13 <b>A. Shall I continue?</b>  14 Q. So CSI Express is a policy --  15 <b>A. Administration system.</b>  16 Q. Administration system. And CSI  17 Express was developed by Federal, correct?  18 <b>A. I cannot answer that question. I</b>  19 <b>don't know. I mean, I didn't do a history of</b>  20 <b>Federal's deployment of technology. I will say</b>  21 <b>this, I expect so, but I cannot definitively</b>  22 <b>confirm or deny that.</b>  23 Q. Okay. And CSI Express was in use at  24 Federal prior to Federal's use of Blaze, correct?  25 <b>A. The artifacts indicate that that is</b></p> <p style="text-align: right;">Page 96</p>	<p>1 are used in CSI Express?  2 <b>A. I submit to you that my entire report</b>  3 <b>is an evaluation of the functional value of Blaze</b>  4 <b>Advisor inside of multiple of the Federal policy</b>  5 <b>administration systems.</b>  6 Q. And we're talking about CSI Express  7 first.  8 <b>A. Okay.</b>  9 Q. My question for you is, did you do any  10 measurement or analysis of how significant a part  11 of CSI Express Blaze is?  12 MR. HINDERAKER: I'd like to object to  13 the question as multiple in form, one is  14 significance, the other is analysis. Which are you  15 asking?  16 MS. JANUS: I think you mean  17 measurement or analysis.  18 BY MS. JANUS:  19 Q. So let's start with measurement?  20 <b>A. I did not quantitatively measure in</b>  21 <b>terms of this report. My responsibility was</b>  22 <b>qualitative and functional.</b>  23 Q. So are you able to opine as to the  24 specific value that comes from CSI Express that is  25 attributable to Blaze?</p> <p style="text-align: right;">Page 98</p>

<p>1 <b>A. I'm able to opine the functional value</b>  2 <b>attributable to Blaze as it relates to the execution</b>  3 <b>of business rules inside of the policy administration</b>  4 <b>system which is using the software.</b>  5 Q. What is that?  6 <b>A. In this case we're discussing CSI</b>  7 <b>Express.</b>  8 Q. Right. But you're saying you're able  9 to opine on the functional value?  10 <b>A. Yes.</b>  11 Q. Okay.  12 <b>A. Oh, good.</b>  13 Q. And what do you --  14 <b>A. Good. I'm sorry. Now I understand</b>  15 <b>your question. Okay.</b>  16 <b>So let's go back to my three things</b>  17 <b>that are important: speed, ease of doing business,</b>  18 <b>and accuracy and adequacy of the price. Blaze</b>  19 <b>functionally makes all of those better. It improves</b>  20 <b>the speed of response for the independent broker.</b>  21 <b>It makes the job of the independent broker easier,</b>  22 <b>which translates then into the ease that the</b>  23 <b>applicant or customer experiences, and it is</b>  24 <b>contributing to the adequacy of the price for the</b>  25 <b>proposed coverage package.</b></p> <p style="text-align: right;">Page 99</p>	<p>1 Express?  2 <b>A. Here specifically we're discussing CSI</b>  3 <b>Express, yes.</b>  4 Q. And as we've established, Blaze is one  5 small part of CSI Express?  6 <b>A. As long as you and I agree that your</b>  7 <b>measurement is footprint, yes. If you and I are</b>  8 <b>discussing functional value, no. You choose. Not</b>  9 <b>meaning to be disrespectful, it's got to be one or</b>  10 <b>the other.</b>  11 Q. Do you know what the other components  12 of CSI Express are?  13 <b>A. There are artifacts that articulate</b>  14 <b>the various and sundry components. I assure you I</b>  15 <b>spent less than one second reviewing those.</b>  16 Q. How can you have an opinion as to  17 Blaze's contribution to speed, ease of doing  18 business or adequacy of price if you do not know  19 what the other components of the complex application  20 it resides in -- namely, CSI Express -- are?  21 <b>A. CSI Express is a policy administration</b>  22 <b>system. It quotes. But going to inside of CSI</b>  23 <b>Express, specifically Decision Point as -- just as</b>  24 <b>one example, CSI Express Decision Point won't quote</b>  25 <b>if it doesn't meet the definition of the rules, the</b></p> <p style="text-align: right;">Page 101</p>
<p>1 Q. Are those all functions that CSI  2 Express performs or Blaze specifically?  3 <b>A. Both.</b>  4 Q. Have you done an analysis of what  5 amount of improvement to speed, ease of doing  6 business, adequacy of price is attributable to  7 Blaze --  8 <b>A. That --</b>  9 <b>-- as opposed to CSI Express?</b>  10 <b>A. That was outside of the scope of my</b>  11 <b>responsibilities.</b>  12 Q. So you can't opine as to what  13 improvements, if any, in terms of speed, ease of  14 doing business or adequacy of price are specifically  15 attributable to Blaze, correct?  16 <b>A. Quantitatively, no. Qualitatively,</b>  17 <b>yes, the things I've already articulated.</b>  18 Q. The things you've articulated, though,  19 relate to the functioning of CSI Express generally,  20 correct?  21 <b>A. They relate to the -- to all of the</b>  22 <b>tools and mechanisms used by the owner of the</b>  23 <b>software, Federal, to execute their quote, bind,</b>  24 <b>book, issue, modify, terminate processes.</b>  25 Q. And here we're talking about CSI</p> <p style="text-align: right;">Page 100</p>	<p>1 <b>risk attribute.</b>  2 <b>That's why insurance companies have</b>  3 <b>rules, to frame for their distribution system -- in</b>  4 <b>this case independent agents and brokers -- the</b>  5 <b>definition of their risk appetite. I've been working</b>  6 <b>with underwriting insurance rules and the use of</b>  7 <b>technology to make those processes better for the</b>  8 <b>brokers and agents for a really long time.</b>  9 Q. You have never worked with a policy  10 administration that utilizes a rules management  11 software, correct?  12 <b>A. Correct.</b>  13 Q. The value that you've articulated as  14 speed, ease of doing business, and adequacy of  15 price, would you characterize those as efficiencies?  16 <b>A. No. Again, it's Rubik's Cube.</b>  17 <b>There's written premium impact, there's loss cost</b>  18 <b>impact, and there is expense impact across the use</b>  19 <b>of a system like this.</b>  20 Q. Can you quantify --  21 <b>A. I was never asked to quantify anything.</b>  22 Q. So you cannot quantify any contribution  23 that Blaze has on any of the factors you just listed?  24 <b>A. That is correct. I was not asked to</b>  25 <b>quantify anything. It's out of the scope of my</b></p> <p style="text-align: right;">Page 102</p>



<p>1 <b>agreement and arrangement.</b></p> <p>2 MS. JANUS: All right. Let's take a</p> <p>3 short break.</p> <p>4 THE WITNESS: Sure. My blad --</p> <p>5 THE VIDEOGRAPHER: Going off the</p> <p>6 record. The time is 11:39 a.m.</p> <p>7 (Break from 11:39 to 12:30.)</p> <p>8 THE VIDEOGRAPHER: We're back on the</p> <p>9 record. The time is 12:30 p.m.</p> <p>10 THE WITNESS: [Witness coughing] Pardon</p> <p>11 me.</p> <p>12 BY MS. JANUS:</p> <p>13 Q. All right. Mr. Whitener (phonetic</p> <p>14 Wit-ner), you understand you're still under oath?</p> <p>15 <b>A. I do.</b></p> <p>16 <b>Would you please use Whitener</b></p> <p>17 (phonetic White-ner)?</p> <p>18 Q. Oh, sure.</p> <p>19 <b>A. You'll get a better response from --</b></p> <p>20 Q. My apologies.</p> <p>21 <b>A. No, no, no worries. I can't tell you</b></p> <p>22 <b>how many times I've made that statement in the years.</b></p> <p>23 Q. If you could turn to your report,</p> <p>24 let's start on page 4 of Exhibit 513. And this</p> <p>25 section of the report is entitled FICO's Blaze</p> <p style="text-align: right;">Page 103</p>	<p>1 never used, correct?</p> <p>2 <b>A. That is correct.</b></p> <p>3 Q. And that's a software that you had</p> <p>4 never seen demonstrated until yesterday, correct?</p> <p>5 <b>A. Also correct.</b></p> <p>6 (Whereupon, Deposition Exhibit No. 515</p> <p>7 was marked for identification, and a copy is</p> <p>8 attached and hereby made a part of this deposition.)</p> <p>9 BY MS. JANUS:</p> <p>10 Q. Showing you what's been marked as</p> <p>11 Exhibit 515 --</p> <p>12 MR. HINDERAKER: Thank you.</p> <p>13 BY MS. JANUS:</p> <p>14 Q. -- this is the document that you</p> <p>15 reference in footnote 1 of your report?</p> <p>16 <b>A. May -- may I have a moment, please?</b></p> <p>17 Q. Oh, sure.</p> <p>18 <b>A. Thank you, thank you. Ah,</b></p> <p>19 <b>double-sided.</b></p> <p>20 Q. And, Mr. Whitener, the question before</p> <p>21 you is, could you confirm that this is the document</p> <p>22 that you've cited in footnote 1 of your report?</p> <p>23 And that's on page 4 of your report.</p> <p>24 <b>A. Coming. It is.</b></p> <p>25 Q. Okay. And --</p> <p style="text-align: right;">Page 105</p>
<p>1 Advisor® Decision Management Software, correct?</p> <p>2 <b>A. Yeah, section IV.</b></p> <p>3 Q. How would you characterize the facts</p> <p>4 and data that you relied upon in forming the</p> <p>5 conclusions you've reached in section IV of your</p> <p>6 report?</p> <p>7 <b>A. I would characterize them as my</b></p> <p>8 <b>fundamental belief based on noted artifacts, based</b></p> <p>9 <b>on a functional analysis of the software that shows</b></p> <p>10 <b>that Blaze Advisor contributes to the automate --</b></p> <p>11 <b>automated decisioning of Federal's business units,</b></p> <p>12 <b>wherein it is deployed, it's not deployed in all</b></p> <p>13 <b>the business units, and that Blaze Advisor is</b></p> <p>14 <b>highly regarded by the industry analyst community,</b></p> <p>15 <b>and I note that through the quoting of a Forrester</b></p> <p>16 <b>group, Research group's document, where they</b></p> <p>17 <b>analyzed the functionality and the future vision of</b></p> <p>18 <b>various and sundry decision management systems.</b></p> <p>19 Q. And you mentioned a functional</p> <p>20 analysis of the software. Are you referring to</p> <p>21 Chubb's software -- Federal's software, I should</p> <p>22 say?</p> <p>23 <b>A. No. In this section I am referring to</b></p> <p>24 <b>the Blaze Advisor decision software.</b></p> <p>25 Q. And that is a software that you have</p> <p style="text-align: right;">Page 104</p>	<p>1 <b>A. Well, let me rephrase that. This --</b></p> <p>2 <b>this is -- this footnote does, in fact, relate to</b></p> <p>3 <b>the quote -- to a quote that is documented here.</b></p> <p>4 <b>There are multiple artifacts that this quote is in.</b></p> <p>5 <b>This is the one I choose for -- choose to use for</b></p> <p>6 <b>the footnote in the report.</b></p> <p>7 Q. Sure. Okay. As authority for the</p> <p>8 point you're making in paragraph 21, correct?</p> <p>9 <b>A. Yes.</b></p> <p>10 Q. Okay. And Exhibit 515 is a FICO</p> <p>11 document, correct?</p> <p>12 <b>A. Interestingly, its front name on the</b></p> <p>13 <b>document is Henry Mirollyuz, a Chubb employee. The</b></p> <p>14 <b>presentation is a FICO™ Forum: Decision Management</b></p> <p>15 <b>Tools User Group, and both companies' logos are on</b></p> <p>16 <b>the document. To the extent that each of those</b></p> <p>17 <b>entities contributed to this, I cannot speak.</b></p> <p>18 Q. Okay. So you don't know who as</p> <p>19 between FICO and Federal authored what in this</p> <p>20 document, correct?</p> <p>21 <b>A. That is correct.</b></p> <p>22 Q. Take a look at the page marked 57211?</p> <p>23 <b>A. I'm there.</b></p> <p>24 Q. This has a list of Lessons Learned,</p> <p>25 correct?</p> <p style="text-align: right;">Page 106</p>

<p>1 doing business, and establishing the adequate  2 accurate price point. You can't call those in the  3 insurance process small, because the rate, the  4 quote, the bind, the book, and the issue processes  5 do not work unless that's done.  6 Q. How have you attributed speed to Blaze  7 specifically within the complex application that is  8 CSI Express?  9 A. If -- I have done no level of  10 quantitative work. So you're asking me to provide  11 you my thoughts on did it make it better by one  12 day, by two days, by three days? I can't provide  13 you that. That was out of the scope of my work.  14 Q. I take it, then, you also don't know  15 whether Blaze specifically versus some other  16 technology within CSI Express contributes to the  17 speed that you've opined CSI Express delivers,  18 correct?  19 A. If I took the architectural footprint,  20 which you've referenced several times, there are --  21 pardon me -- components of the architectural process  22 that contribute to that rate. A -- a system does  23 two times three much faster than a human being does  24 two times three and with an incredibly higher  25 accuracy rate. But you -- you -- you do not --</p> <p style="text-align: right;">Page 151</p>	<p>1 attribute to CSI Express results from the fact that  2 Blaze Advisor is in CSI Express or from other  3 technologies and functionalities that are in CSI  4 Express, correct?  5 A. That is correct. I have done no --  6 Q. You've answered the question.  7 A. -- quanti --  8 Q. Go ahead.  9 MR. HINDERAKER: You may finish your  10 answer.  11 THE WITNESS: I have repeatedly said I  12 did zero quantification assessment of this situation.  13 BY MS. JANUS:  14 Q. In fact, you do not know whether CSI  15 Express actually increased the speed of response to  16 requests for quote at Federal, correct?  17 A. That is correct. That would require  18 data.  19 Q. In your mind, would it be even  20 possible to measure the contribution that Blaze has  21 to the speed that you've discussed CSI Express  22 creating?  23 A. Having had the privilege of giving  24 that question zero thought, I can't answer it.  25 That --</p> <p style="text-align: right;">Page 153</p>
<p>1 it's a Rubik's Cube, as I said earlier. You don't  2 sit down and look at components of the software and  3 say this component makes this happen or that happen.  4 It performs a function.  5 The functions that Blaze Advisor  6 specifically -- I would say -- if I were talking  7 about any of the ten, whose names I don't know or  8 remember, decision management systems that Forester  9 Research included in their report, all of those are  10 designed to improve the quote, bind, book, issue  11 process, which is critical to the accumulation of  12 written premium. If you quote and don't convert --  13 and I don't know what these numbers are, but  14 Federal has a quote number coming in, I don't know  15 what that number is, Federal has a quote converted  16 to policy number, I don't know what that number is,  17 but there is a direct link between those three  18 items. You can talk to almost any insurance  19 executive, I quoted Mark Watson of Argo, a couple  20 of other people, about their view of the need to  21 make these kind of advancements in use of  22 technology to accelerate and execute the quote,  23 bind, book, issue process.  24 Q. My question was, you did not do an  25 analysis to determine whether the speed that you</p> <p style="text-align: right;">Page 152</p>	<p>1 Q. So you --  2 A. That --  3 Q. -- just don't --  4 A. That requires thought.  5 Q. So you just don't know whether it  6 would be possible -- possible to measure that?  7 MR. HINDERAKER: Misstates --  8 objection, misstates the answer.  9 BY MS. JANUS:  10 Q. Is that correct?  11 A. I have zero data and I have not spent  12 one minute thinking about how I would do that.  13 I -- I live in a world where most things are  14 possible. The question is what does it take to get  15 it done.  16 (Whereupon, Deposition Exhibit No. 520  17 was marked for identification, and a copy is  18 attached and hereby made a part of this deposition.)  19 BY MS. JANUS:  20 Q. Showing you what's been marked as  21 Exhibit 520, this is the CSI Express component view  22 that was contained in Mr. McCarter's report.  23 A. Yes, from Mr. McCarter's report.  24 Q. Do you agree with me based on this  25 component view that CSI Express is a complex</p> <p style="text-align: right;">Page 154</p>

<p>1 application involving many technologies?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. Do you know what all of the various</p> <p>4 components that are depicted in this chart do in</p> <p>5 CSI Express?</p> <p>6 <b>A. All?</b></p> <p>7 Q. Yes.</p> <p>8 <b>A. No. Some of the -- some of their</b></p> <p>9 <b>acronyms, I don't even know what they mean.</b></p> <p>10 Q. Do you know what each of these</p> <p>11 components contributes to what you have opined are</p> <p>12 the benefits of CSI Express?</p> <p>13 <b>A. I'm not sure I opined that C -- that</b></p> <p>14 <b>anything other than Blaze Advisor provided benefits</b></p> <p>15 <b>to CIS. So as relates to this current state</b></p> <p>16 <b>exhibit, CI -- Blaze Advisor inside of CIS Express</b></p> <p>17 <b>contributes to the benefits I articulate, but I</b></p> <p>18 <b>can't speak to any of the other systems.</b></p> <p>19 <b>I can -- I can tell you generally</b></p> <p>20 <b>speaking in the insurance industry what an under</b></p> <p>21 <b>man -- underwriting manager workbench does, I can</b></p> <p>22 <b>tell you what product figuration does, but I can't</b></p> <p>23 <b>answer the specific question you're asking.</b></p> <p>24 Q. Turning back to your report, in</p> <p>25 paragraph 36?</p> <p style="text-align: right;">Page 155</p>	<p>1 contributes to revenue on general goals of</p> <p>2 insurance companies in the industry?</p> <p>3 <b>A. Not exactly. I am basing my opinion</b></p> <p>4 <b>on the fact that every insurance company that I've</b></p> <p>5 <b>ever talked with is focused on that quote, bind,</b></p> <p>6 <b>book, issue process for new business and for</b></p> <p>7 <b>renewals, and that Blaze Advisor contributes to</b></p> <p>8 <b>getting responses inside of the quote process faster,</b></p> <p>9 <b>contributes to getting accurate adequate premium</b></p> <p>10 <b>faster, it contributes to easing the burden on the</b></p> <p>11 <b>independent agent or broker, meaning ease of doing</b></p> <p>12 <b>business, and it contributes to the relative</b></p> <p>13 <b>adequacy and acc -- attaining the adequate and</b></p> <p>14 <b>accurate premium.</b></p> <p>15 Q. And -- but you did not actually</p> <p>16 analyze whether it did contribute to those things</p> <p>17 you've just listed at Federal, correct?</p> <p>18 <b>A. I did no quantification, that is</b></p> <p>19 <b>correct.</b></p> <p>20 Q. Do you know whether Blaze Advisor</p> <p>21 actually increased or decreased the revenues of</p> <p>22 Federal?</p> <p>23 <b>A. I have done no quantification.</b></p> <p>24 Q. I take it you don't know whether Blaze</p> <p>25 Advisor actually contributed to an increase in</p> <p style="text-align: right;">Page 157</p>
<p>1 <b>A. I'm there, I'm there.</b></p> <p>2 Q. You state that "CSI eXPRESS's use of</p> <p>3 Blaze Advisor contributes to revenue by increasing</p> <p>4 the speed of response to a request for a quote</p> <p>5 and...speed of making renewal offers," correct?</p> <p>6 <b>A. I do.</b></p> <p>7 Q. And we've discussed that you don't</p> <p>8 actually know whether the speed of response was</p> <p>9 increased, correct -- at Federal, I should say?</p> <p>10 <b>A. I have no quantification.</b></p> <p>11 Q. You don't know whether the speed of</p> <p>12 making renewal offers was increased, correct?</p> <p>13 <b>A. I have no quantification.</b></p> <p>14 Q. How have you concluded that CSI</p> <p>15 Express's use of Blaze Advisor contributes to</p> <p>16 revenue?</p> <p>17 <b>A. So I go back to my three original</b></p> <p>18 <b>points. There -- insurance companies try to improve</b></p> <p>19 <b>their positions in getting more quotes, converting</b></p> <p>20 <b>more quotes, hanging on to more renewals through</b></p> <p>21 <b>three fundamental strategies: speed -- that's both</b></p> <p>22 <b>speed of response and speed to market -- ease of</b></p> <p>23 <b>doing business, and adequate accurate pricing.</b></p> <p>24 Q. Okay. And so you're basing your</p> <p>25 opinion that CSI Express's use of Blaze Advisor</p> <p style="text-align: right;">Page 156</p>	<p>1 revenue or profit at Federal, correct?</p> <p>2 <b>A. That would require a quantification.</b></p> <p>3 <b>I have done no quantification, no.</b></p> <p>4 Q. You do not cite to any authority in</p> <p>5 paragraph 36, correct?</p> <p>6 <b>A. That is correct.</b></p> <p>7 Q. And --</p> <p>8 <b>A. So -- so when I don't cite, you should</b></p> <p>9 <b>assume that I am relying on 41 years and a lot of</b></p> <p>10 <b>gray hair in this business.</b></p> <p>11 Q. So your opinion in paragraph 36 is</p> <p>12 based upon your experience in the industry?</p> <p>13 <b>A. And conversations at industry</b></p> <p>14 <b>conferences with other insurance executives, and</b></p> <p>15 <b>conversations at industry conferences with software</b></p> <p>16 <b>vendors.</b></p> <p>17 Q. Those are conversations you had in</p> <p>18 connection with authoring your report?</p> <p>19 <b>A. No.</b></p> <p>20 Q. Are those conversations you had about</p> <p>21 Blaze Advisor?</p> <p>22 <b>A. Conversations I had -- no. I --</b></p> <p>23 <b>conversations I generally have making sure that I</b></p> <p>24 <b>keep my mind aware of what's going on in the</b></p> <p>25 <b>insurance industry. I have not discussed Blaze</b></p> <p style="text-align: right;">Page 158</p>

<p>1 Q. It's not the applications, it's  2 particular softwares within the applications, is  3 that what you're saying?</p> <p>4 <b>A. It is particular software within the  5 overall application. That is what I am saying.</b></p> <p>6 Q. And including software other than  7 Blaze, correct?</p> <p>8 <b>A. Oh, absolutely correct.</b></p> <p>9 Q. And you would agree that it's the  10 actuaries at Chubb that actually establish the  11 premiums, correct?</p> <p>12 <b>A. No. Okay. It is the actuaries at  13 Chubb that establish the price for various  14 combinations of risk attributes. That then transfers  15 to an underwriting function.</b></p> <p>16 <b>That underwriting function --  17 especially -- especially in -- in commercial lines,  18 that underwriting function takes the actuarial --  19 and I'm going to use a term here, indication, a  20 projected needed price point, and it is the  21 underwriter's job to work with that. They may  22 modify it, they may not, they may accept it. But  23 the actuary's job is to take data from the past in  24 terms of the risk attributes and tell the  25 underwriters based on what's happened in the past</b>  Page 223 </p>	<p>1 <b>relying on Profitability Indicator and some other  2 things to establish the price point, offer it to  3 the agent, and if the agent closes the business,  4 then to start the bind and execute process.</b></p> <p>5 <b>So, if a market segment product line  6 is not using a -- an automated decision system, I  7 would agree with the statement. But if the -- if  8 the market segment product line is using a deci --  9 an automated decision software, then I would  10 disagree with the statement.</b></p> <p>11 Q. Take a look back at your reply report,  12 which is Exhibit 514?</p> <p>13 <b>A. I have it.</b></p> <p>14 Q. And in paragraph 6 you state --</p> <p>15 <b>A. I'm there.</b></p> <p>16 Q. -- at the -- right before the bullet  17 points you state, "Chubb &amp; Sons sought to," and  18 then you list four bullet points, correct?</p> <p>19 <b>A. Correct.</b></p> <p>20 Q. And you do not know whether Blaze  21 Advisor contributed to Chubb &amp; Sons' ability to do  22 the things that are listed in the bullet points,  23 correct?</p> <p>24 <b>A. I have performed no quantitative  25 analysis, no.</b>  Page 225 </p>
<p>1 <b>here's where you need to be from a price point.</b></p> <p>2 Q. Okay. So the actuaries make the  3 suggestion about the correct price point, correct?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. And then -- and those are -- those are  6 people, actuaries are people, correct?</p> <p>7 <b>A. I would go beyond that. They are  8 using systems to -- to do that.</b></p> <p>9 Q. But an actuary is a job that a person  10 performs, correct?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. Okay. And -- and, then, the  13 underwriters, the individuals who perform  14 underwriting at Federal then consider the  15 recommendation made by the actuary, correct?  16 That's your testimony?</p> <p>17 <b>A. The actuary -- I'm sorry. The  18 underwriters use that as a data point, not the only  19 data point but as a data point, yes.</b></p> <p>20 Q. And they make the ultimate decision at  21 Federal about what price to sell the policy at,  22 correct?</p> <p>23 <b>A. You can't make that statement with  24 DecisionPoint, because there are no underwriters  25 involved in DecisionPoint. DecisionPoint is</b>  Page 224 </p>	<p>1 Q. You then state right after that,  2 "All" of "these benefits allowed Federal to grow in  3 the small commercial and mid-market commercial  4 sub-segments," correct?</p> <p>5 <b>A. Correct.</b></p> <p>6 Q. I take it you don't know whether that  7 statement is, in fact, true, correct?</p> <p>8 <b>A. I have performed no quantifi --  9 quant -- quantify benefit analysis. So, no, I do  10 not.</b></p> <p>11 Q. Okay. And you don't cite to any  12 authority for that statement, correct?</p> <p>13 <b>A. I believe that is correct.</b></p> <p>14 Q. The next sentence states, "Reducing  15 time to market for new products increased gross  16 written premium generated by those new products."  17 Same question, you don't know whether that is, in  18 fact, true with respect to Federal, correct?</p> <p>19 <b>A. That is a reference to the acquisition  20 of the ██████████ book of business. So while I  21 have not talked with anyone at Federal, Chubb, ACE  22 Limited about the acquisition of that book of  23 business, artifacts indicate that it was, in fact,  24 acquired.</b></p> <p>25 Q. You don't know whether Blaze Advisor  Page 226 </p>



<p>1 actually contributed to the reducing time to market  2 for new products increasing gross written premium  3 generated by those new products, correct?  4 <b>A. I know that the Premium Booking</b>  5 <b>Modernization project was required in order to</b>  6 <b>acquire that [REDACTED] book of business. So,</b>  7 <b>no.</b>  8 Q. And is that all you base that  9 statement on?  10 <b>A. That is the tangible example I can</b>  11 <b>give you from artifacts where that was demonstrated.</b>  12 Q. Other than that --  13 MR. HINDERAKER: Excuse me.  14 BY MS. JANUS:  15 Q. -- example that you gave, you don't  16 know whether the statement is true with respect to  17 anything else at Federal, correct?  18 <b>A. Correct. I have performed no</b>  19 <b>quantifiable -- I'm sorry, quantification analysis.</b>  20 Q. In footnote 8 on page 3, you discuss  21 artificial intelligence and robotics, correct?  22 <b>A. I quote Chubb associates, Chubb</b>  23 <b>Limited associates in terms of their talking about</b>  24 <b>technology.</b>  25 Q. And you would agree that Federal is</p> <p style="text-align: right;">Page 227</p>	<p>1 Q. Sure. You don't know whether he  2 was -- put it this way, he did not refer to Blaze?  3 <b>A. That is correct.</b>  4 Q. Okay. And do you consider Blaze to be  5 artificial intelligence?  6 <b>A. Actually, yes.</b>  7 Q. Blaze as implemented at Federal?  8 <b>A. On certain market segments, product</b>  9 <b>lines, yes.</b>  10 Q. Which market segments and product  11 lines?  12 <b>A. Let's go with CSI Express automated</b>  13 <b>renewal processing, CSI Express DecisionPoint, CSI</b>  14 <b>Express Profitability Indicator. Those are all</b>  15 <b>uses of the system relying on what I would call</b>  16 <b>artificial intelligence. If you come down to the</b>  17 <b>commercial -- Chubb Commercial Insurance, CCI,</b>  18 <b>Profitabilities Indicator there would be my</b>  19 <b>definition of artificial intelligence.</b>  20 Q. And what is your definition of  21 artificial intelligence?  22 <b>A. Artificial intelligence is the use of</b>  23 <b>and deployment of technology to execute certain</b>  24 <b>functions so that you don't have to rely on human</b>  25 <b>capital to do so.</b></p> <p style="text-align: right;">Page 229</p>
<p>1 not using Blaze for any artificial intelligence or  2 robotics capabilities, correct?  3 <b>A. Inside the insurance industry, the --</b>  4 <b>the term artificial intelligence has so many</b>  5 <b>meanings that I hesitate to respond affirmative on</b>  6 <b>that. I have been in -- in conversations with</b>  7 <b>people that considered decision management software</b>  8 <b>to be an artificial intelligence.</b>  9 Q. Okay. So they're using Blaze, which  10 is decision management or rules management software,  11 correct?  12 <b>A. Correct.</b>  13 Q. Other than the rules management aspect  14 of Blaze, are you aware of any other robotics or  15 artificial intelligence --  16 <b>A. I -- I --</b>  17 Q. -- that --  18 <b>A. I would take robotics off the table.</b>  19 <b>I've been with people that would call Profitability</b>  20 <b>Indicator, DecisionPoint artificial intelligence.</b>  21 <b>Automated rule processing, I've been with people</b>  22 <b>that would call that artificial intelligence. I</b>  23 <b>can't -- I can't speak to the Chubb Limited CEO,</b>  24 <b>Mr. Greenberg's use of that phrase artificial</b>  25 <b>intelligence in terms of what his intent was there.</b></p> <p style="text-align: right;">Page 228</p>	<p>1 Q. Do you know whether FICO defines  2 Blaze --  3 <b>A. No. I'm sorry, I'm sorry, to</b>  4 <b>interrupt. Go ahead.</b>  5 Q. Blaze as used by Federal as artificial  6 intelligence?  7 <b>A. No.</b>  8 Q. They do not define it that way?  9 <b>A. I do not know.</b>  10 Q. You do not know. On page 9 of your  11 reply report --  12 <b>A. Patience, Counselor. I'm there.</b>  13 Q. Just above paragraph 20 you state that  14 "Blaze Advisor software...executed, at one point,  15 just over thirty-five thousand rules." Do you see  16 that?  17 <b>A. I do.</b>  18 Q. And you understand that Blaze Advisor  19 software does not process all of the rules used by  20 Federal, correct?  21 <b>A. Yes.</b>  22 Q. And would it be safe to say that  23 Federal uses hundreds of thousands of rules at any  24 given time to conduct its business?  25 <b>A. I can't speak to that.</b></p> <p style="text-align: right;">Page 230</p>

<p>1 Q. You just --</p> <p>2 <b>A. That would --</b></p> <p>3 Q. -- don't know?</p> <p>4 <b>A. That would be pure unadulterated</b></p> <p>5 <b>speculation on my part.</b></p> <p>6 Q. Okay. Do you think that it's</p> <p>7 reasonable, given the size of Federal and its</p> <p>8 business, to assume that Federal has hundreds and</p> <p>9 thousands of rules that it uses to conduct its</p> <p>10 business?</p> <p>11 MR. HINDERAKER: Objection, lack of</p> <p>12 foundation, asks for speculation. You can answer</p> <p>13 the --</p> <p>14 THE WITNESS: I -- I --</p> <p>15 MR. HINDERAKER: -- question, if you</p> <p>16 can.</p> <p>17 THE WITNESS: I -- and any answer,</p> <p>18 Counselor, that I gave you would be pure</p> <p>19 unadulterated speculation on my part.</p> <p>20 BY MS. JANUS:</p> <p>21 Q. You just don't know?</p> <p>22 <b>A. I just don't know.</b></p> <p>23 Q. In paragraph 10 of your reply report,</p> <p>24 you discuss the Chubb Limited Annual Report. It's</p> <p>25 on page 5.</p> <p style="text-align: right;">Page 231</p>	<p>1 knowledge of the insurance industry and Federal,</p> <p>2 that Blaze is one of at least hundreds, if not</p> <p>3 thousands, of other technologies generally that</p> <p>4 Federal uses to conduct its business?</p> <p>5 MR. HINDERAKER: Objection, asked and</p> <p>6 answered.</p> <p>7 THE WITNESS: I -- I -- I -- I object</p> <p>8 to hundreds. The artifacts that I've looked at</p> <p>9 don't take me to a position where I -- where I look</p> <p>10 and say, yeah, holy cow, there's, you know, X number,</p> <p>11 other than Mr. McCarter's report.</p> <p>12 Mr. McCarter's report, I believe,</p> <p>13 relies on some of the artifacts I have access to.</p> <p>14 I did not count the number of technologies deployed.</p> <p>15 BY MS. JANUS:</p> <p>16 Q. Well, in your experience in the</p> <p>17 industry, would it surprise you if it's hundreds or</p> <p>18 thousands of other technologies deployed at a</p> <p>19 company the size of Federal?</p> <p>20 <b>A. Based on my experience in the</b></p> <p>21 <b>insurance industry, it would not surprise me if the</b></p> <p>22 <b>count of individual technology applications was</b></p> <p>23 <b>extremely high. Federal, Chubb &amp; Sons, ACE Limited</b></p> <p>24 <b>is operating in three marketplaces. They are</b></p> <p>25 <b>operating with literally in excess of a hundred</b></p> <p style="text-align: right;">Page 233</p>
<p>1 <b>A. Oh, I'm sorry, I went to page 10. I</b></p> <p>2 <b>apologize. Yes.</b></p> <p>3 Q. And in that report technology is</p> <p>4 generally referred to, correct?</p> <p>5 <b>A. In this specific reference, yes.</b></p> <p>6 Q. There is no specific reference to</p> <p>7 Blaze, correct?</p> <p>8 <b>A. Correct.</b></p> <p>9 Q. And we've discussed the fact that</p> <p>10 Blaze is one of hundreds or thousands of technologies</p> <p>11 that Federal uses to conduct its business, correct?</p> <p>12 MR. HINDERAKER: Objection, asked and</p> <p>13 answered.</p> <p>14 THE WITNESS: I take objection to the</p> <p>15 phrase hundreds and thousands. We have agreed that</p> <p>16 Blaze Advisor is not the only software inside of</p> <p>17 the footprint of the technology that is contributing</p> <p>18 to the quote, bind, book, issue underwriting</p> <p>19 process. We've agreed with that, yes.</p> <p>20 BY MS. JANUS:</p> <p>21 Q. And would you also agree, based on</p> <p>22 your knowledge of the insurance industry and of</p> <p>23 Federal, that Blaze is one of only -- I'm sorry,</p> <p>24 strike that.</p> <p>25 Would you also agree, based on your</p> <p style="text-align: right;">Page 232</p>	<p>1 <b>products, and that's just in the commercial -- I'm</b></p> <p>2 <b>sorry, Chubb Specialty Insurance small business --</b></p> <p>3 <b>or, I'm sorry, strategic business unit.</b></p> <p>4 <b>I'm comfortable saying it's a lot.</b></p> <p>5 <b>I'm uncomfortable saying how many.</b></p> <p>6 Q. Sure. And just -- specifically, you</p> <p>7 reference McCarter's report. In his report he</p> <p>8 estimates that it is 1,545 technologies that are</p> <p>9 used to build and implement Federal's business</p> <p>10 applications.</p> <p>11 Do you have a reason to disagree with</p> <p>12 that estimate one way or another?</p> <p>13 <b>A. No. I have a -- I have a position of</b></p> <p>14 <b>that's an interesting statistic. It's not relative</b></p> <p>15 <b>to my analysis, which I believe I say in my reply</b></p> <p>16 <b>report.</b></p> <p>17 Q. Your conclusion that Blaze Advisor</p> <p>18 contributes to Federal's revenue could be extended</p> <p>19 to, basically, any other technology that Federal</p> <p>20 uses, correct?</p> <p>21 <b>A. No.</b></p> <p>22 Q. Could you extend your conclusion to</p> <p>23 Microsoft Word?</p> <p>24 <b>A. Because my conclusion is based on a</b></p> <p>25 <b>specific direct-written-premium-generating process,</b></p> <p style="text-align: right;">Page 234</p>